

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-85-C - ORDER NO. 2006-414
JULY 17, 2006

IN RE:	Application of YMax Communications Corp.)	ORDER
	for a Certificate of Public Convenience and)	GRANTING
	Necessity to Provide Facilities Based and)	CERTIFICATE,
	Local Exchange and Resold Long Distance)	APPROVING MODIFIED
	Telecommunications Services, Access)	ALTERNATIVE
	Services and for Flexible Regulation of its)	REGULATION AND
	Local Exchange Services and Alternative)	FLEXIBLE
	Regulation of its Long Distance Service)	REGULATION
	Offering)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of YMax Communications Corp. (“YMax” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide facilities-based local exchange, resold interexchange telecommunications services, and access services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2005) and the rules and regulations of the Commission. By its Application, YMax also requests modified alternative regulation of its business services offerings identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997, flexible regulation of its local exchange service offerings pursuant to Order No. 98-165 in Docket No. 1997-467-C, and waiver of certain Commission regulations.

The Commission's Docketing Department instructed YMax to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of YMax and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. YMax complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by the South Carolina Telephone Coalition ("SCTC"). Subsequent to the intervention, YMax and SCTC reached a Stipulation, attached hereto as Order Exhibit 2.

Subsequently, YMax and ORS filed a Stipulation, which is attached hereto as Order Exhibit 1. A hearing was convened on June 12, 2006, at 10:00 a.m. in the Commission's Law Library, Columbia, South Carolina, before David Butler, Hearing Examiner. YMax was represented by Bonnie D. Shealy, Esquire. The Office of Regulatory Staff ("ORS") was represented by Wendy B. Cartledge, Esquire. The South Carolina Telephone Coalition did not appear at the hearing.

Peter Russo, Chief Financial Officer for the Company, appeared by video conferencing and testified in support of the Application. The record reveals that YMax is incorporated in Delaware and has registered to transact business in South Carolina as a foreign corporation. According to Mr. Russo, the company seeks authority both as a facilities-based and as a reseller of local and interexchange services. The Company also seeks to provide access services. Mr. Russo explained the Company's request for authority, and the record further reveals the Company's services, operations, and

marketing procedures. The Company's primary market is residential and small-to-medium business customers. YMax has sought authority in all 50 states and has received authority to provide telecommunications services in 32 states thus far.

Mr. Russo also discussed YMax's technical, financial, and managerial resources to provide the services for which it seeks authority. Mr. Russo offered that YMax possesses sufficient financial resources to support its operations in South Carolina. Mr. Daniel Borislow, President of the Company, who has a personal net worth of \$70 million, has extended a \$5 million line of credit to YMax.

With regard to management and technical capabilities, the Company has not been denied a license in any of the states in which it has applied, nor has it had a license revoked in any jurisdiction. The Company's Application and Mr. Russo's testimony both evidence that YMax's management team has extensive experience in telecommunications, information technology, regulatory matters, and accounting and finance. Ms. Russo also testified that YMax will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders.

Mr. Russo offered that approval of YMax's Application would serve the public interest by increasing the level of competition in South Carolina. Mr. Russo, on behalf of the Company, requests a waiver of 26 S.C. Code Ann. Regs.103-610 and to be allowed to keep the Company's books at its headquarters. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). YMax maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP"). In

addition, the Company requests that it not be required to publish local exchange directories, and therefore requests waiver of 26 S.C. Code Ann. Regs. 103-631.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. YMax is incorporated under the laws of the State of Delaware and is authorized to do business as a foreign corporation in South Carolina by the Secretary of State.
2. YMax has no reported record of violations of regulatory laws or regulations in the jurisdictions in which it is currently operating.
3. YMax desires to operate as a provider of facilities-based and resold local and interexchange services in South Carolina, as well as a provider of access services.
4. We find that YMax possesses the managerial experience and capability to operate as a provider, on a facilities basis or through resale, both local and interexchange services in South Carolina, as well as to operate as a provider of access services.
5. We find, based on the financial statements submitted by the Company, that YMax possesses sufficient financial resources to provide the services as described in its Application and testimony.
6. We find that the issuance of a Certificate of Public Convenience and Necessity to YMax to operate as a facilities-based and/or reseller of interexchange and local exchange telecommunications services in South Carolina and as a provider of

access services would be in the best interest of the citizens of South Carolina by increasing the level of competition in South Carolina, by providing an alternative source for telecommunications services, and by creating incentives for lower prices, more innovative services, and more responsive customer service.

7. YMax has no current plans to maintain offices in South Carolina and requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds YMax's requested waiver reasonable and understands the difficulty presented to YMax should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the USOA is reasonable. Additionally we find that a waiver of 26 S.C. Code Ann. Regs. 103-631 is reasonable and in the public interest.

8. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B) (1) (Supp. 2005).

9. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B) (3) (Supp. 2005).

10. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B) (4) (Supp. 2005).

11. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B) (2) (Supp. 2005).

12. The Commission finds that the provision of local exchange service by the Company “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280(B)(5) (Supp. 2005).

13. Following execution of a Stipulation with intervenor South Carolina Telephone Coalition (“SCTC”), the SCTC withdrew its opposition to the Application.

CONCLUSIONS OF LAW

1. The Commission concludes that YMax possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that YMax will participate in the support of universally available telephone service at affordable rates to the extent that YMax may be required to do so by the Commission.

3. The Commission concludes that YMax will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of YMax’s Application to provide intrastate telecommunications services within South Carolina will serve the public interest by enhancing competition in the State of South Carolina by offering additional service offerings to South Carolina’s consumers and by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of telecommunications service by YMax will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate local exchange and interexchange telecommunications services and access services as requested by YMax and as set forth in its Application and Mr. Russo's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to YMax to provide facilities-based and resold intrastate interexchange and local exchange telecommunications services and access services.

8. The Commission adopts a rate design for YMax for its residential interexchange services which includes maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

9. YMax shall not adjust its residential interexchange rates below the approved maximum level without notice to the Commission and to the public. YMax shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE

Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp.2005).

10. The Commission concludes that YMax's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of

\$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

11. The Commission concludes the Company's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

12. We conclude that YMax's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would cause undue hardship on YMax. We also grant exemption from the policies requiring the use of

USOA. In addition, we grant waiver of 26 S.C. Code Ann. Regs. 103-631 which requires publication of a local telephone directory.

13. The Stipulations between the parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to YMax to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, on a facilities basis or through resale of intrastate Wide Area Telecommunications Services (“WATS”), Message Telecommunications Service (“MTS”), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission, as well as to provide facilities-based or resold local exchange telecommunications services within the State of South Carolina, and access services within the State. The Company is also specifically authorized to provide resold inbound and outbound interexchange telecommunications services and operator-assisted services to its presubscribed customers.

2. The Company’s rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, YMax shall file its revised tariff and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission’s Rules and Regulations, as well as the provisions of the YMax-ORS Stipulation.

4. YMax is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. YMax shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If YMax changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, YMax shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, YMax shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. YMax shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, YMax shall keep financial records on an intrastate basis for South Carolina to comply with the

annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at www.psc.sc.gov/reference/forms.asp or at the ORS's website at w.w.w.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **August 15th** with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

YMax shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/reference/forms.asp; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. At the hearing, YMax requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2005), which requires that records required by the Commission’s Rules and Regulations be maintained in South Carolina. The record reveals that YMax’s principal headquarters will be located outside of South Carolina. YMax requests permission to maintain its books and records at its headquarters in its home office. The Commission finds YMax’s requested waiver reasonable and understands the difficulty presented to YMax should the waiver not be granted. The Commission therefore grants the requested waiver that YMax be allowed to maintain its books and records at its principal headquarters. However, YMax shall make available its books and records at all reasonable times upon request by the Office of Regulatory Staff, and YMax shall promptly notify the Commission and ORS if the location of its books and records changes.

12. YMax also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform

System of Accounts. The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, YMax maintains its book of accounts in accordance with Generally Accepted Accounting Principles. GAAP is used extensively by interexchange carriers and other providers. Accordingly, YMax requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above.

13. YMax is required to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911" system or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs YMax to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating, should the Company become interconnected to the public switched telephone network. Contact with the appropriate 911 service authorities is to be made before beginning local telephone service in South Carolina. Accompanying this Order is a memo from the State 911 Office of the Office of Research & Statistics of the South Carolina Budget and Control Board. This memo provides information about contacting County 911 Coordinators. By this Order and prior to providing local telephone services in South Carolina, YMax shall contact the 911 coordinator in each county (and city where the city has its own 911 system) and shall provide information regarding the Company's operations as required by the 911 system.

14. The Stipulations between the various parties are hereby approved.

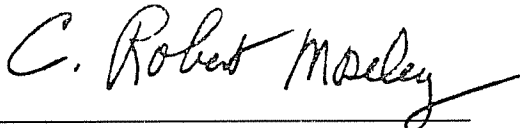
15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice-Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-85-C

In Re:

Application of YMax Communications)
Corp. for a Certificate of Public)
Convenience and Necessity to Provide)
Facilities Based Local Exchange Service,)
Resold Long Distance Service, and)
Access Service in the State of South)
Carolina and for Alternative Regulation)
Of its Business Service Offerings)
Within the State of South Carolina)

STIPULATION

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and YMax Communications Corp., ("YMax" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on March 21, 2006, YMax filed its Application requesting a Certificate of Public Convenience and Necessity to provide facilities based local exchange service, resold long distance service and access service within the State of South Carolina. YMax's Application also requests that its local telecommunications services be regulated in accordance with the principles and procedures established for flexible regulation in Order 98-165 in Docket No. 97-467-C. Pursuant to S.C. Code Ann. §58-9-585, YMax requests that its long distance service offerings be regulated in accordance with the principles and procedures established for alternative regulation in

Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Order No. 2001-997 in Docket No. 2000-407-C. YMax also proposes to offer resold inbound and outbound interexchange telecommunications services and operator-assisted services to its presubscribed customers;

WHEREAS, on March 28, 2006, the Public Service Commission of South Carolina (the "Commission") issued a Notice of Filing and Hearing and set return dates for the hearing in the above captioned matter scheduled to be heard before a Hearing Examiner on June 12, 2006;

WHEREAS, on March 29, 2006, the South Carolina Telephone Coalition ("SCTC") filed a Petition to Intervene in this matter;

WHEREAS, on April 4, 2006, the Public Service Commission of South Carolina ("the Commission") appointed Mr. David Butler as the Hearing Examiner in this matter;

WHEREAS, on April 6, 2006, YMax filed additional financial information as Supplemental Exhibit C to the Application;

WHEREAS, on April 13, 2006, YMax filed the Affidavit of Daniel Borislow, Chief Executive Officer and President of YMax;

WHEREAS, on April 26, 2006, the SCTC filed a stipulation between SCTC and YMax;

WHEREAS, on May 15, 2006, YMax pre-filed testimony of Daniel Borislow with the Commission;

WHEREAS, YMax pre-filed the testimony of Peter Russo which replaces the testimony of Daniel Borislow who is unavailable to testify on June 10, 2006;

WHEREAS, the Commission scheduled this matter to be heard before Hearing Examiner David Butler on June 12, 2006 at 10:00 am;

WHEREAS, the purpose of this proceeding is to review the application filed by YMax and its request for a Certificate of Public Convenience and Necessity to provide facilities based local exchange services, resold long distance services and access services, and for flexible regulation of its local telecommunications service offerings and for alternative regulation of its long distance service offerings in South Carolina;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide such services;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Company and its parent, and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by YMax and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by YMax;

WHEREAS, as a result of its investigations, ORS has determined a) YMax intends to offer telecommunications services throughout the state such as facilities based local exchange, resold long distance telecommunications services, access services, and inbound and outbound interexchange telecommunications services and operator-assisted services to its presubscribed customers; b) the Company does not intend to offer prepaid calling cards; c) the officers of YMax possess sufficient technical and managerial abilities to adequately provide the services applied for; d) based upon the information provided and the analysis performed, YMax appears to have access to sufficient financial

resources necessary to provide the services proposed in its application; e) certain revisions should be made to YMax's proposed tariffs in order to comply with Commission statutes and regulations; f) the services provided by YMax will meet the service standards required by the Commission; g) the provision of services by the Company will not adversely impact the availability of affordable telecommunications services; h) to the extent it is required to do so by the Commission, YMax will participate in the support of universally available telephone service at affordable rates; and i) the provision of local and interexchange services by YMax will not adversely impact the public interest; j) YMax has initiated negotiations or will initiate negotiations with one or more of the incumbent local exchange carriers for interconnection or commercial agreements applicable to services to be provided in South Carolina; and k) YMax will bill customers directly for its services.

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that YMax's Application and exhibits to the Application are incorporated into this Stipulation and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Stipulation. The Parties also agree to stipulate to the pre-filed testimony and exhibit of YMax Witness Daniel Borislow without cross-examination by ORS;

- 3) YMax agrees to submit into the record before the Commission revised tariffs in accordance with ORS recommendations as set forth in Exhibit 1 to this Settlement Agreement and incorporated herein and shall file those tariffs with both the Commission and ORS;
- 4) YMax agrees to provide, and has already submitted, financial data which was provided as Exhibit C and Supplemental Exhibit C to its Application and which is incorporated by reference;
- 5) YMax agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, YMax agrees to adhere to the Federal Communication Commission rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, YMax shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;
- 6) YMax agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center" also known as "911 service." At that time, the Company agrees to contact the appropriate authorities regarding 911 services in the counties and cities where the Company will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding the company's operations. Attached as Exhibit 2 to this

Stipulation is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

- 7) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide facilities based local exchange service, resold long distance service and access service within the state of South Carolina;
- 8) ORS does not oppose the Company's request for waiver of a) 26 S.C. Code Ann. Regs. 103-610 (location of records and reports) as the Company has set forth in Mr. Borislow's testimony it will provide the books and records to the Commission or ORS, upon request, on an expedited basis and at the Company's expense, b) 26 S.C. Code Ann. Regs. 103-631 (publication of directories), and any Commission policies or rules requiring a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA").
- 9) ORS does not oppose the Company's request that its local telecommunications services be regulated in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467 or that its long distance service offerings be regulated in accordance with the principles and procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C;

- 10) YMax agrees to resell the services of only those interexchange carriers authorized to do business in South Carolina by the Commission. YMax agrees to notify ORS and the Commission, in writing, if the Company changes underlying carriers;
- 11) YMax agrees that the Company will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;
- 12) YMax agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;
- 13) The Company agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, TRS reporting, annual reporting and/or gross receipts reporting;
- 14) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B) (added by Act 175).
S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

- 15) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.
- 16) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.
- 17) This Settlement Agreement shall be interpreted according to South Carolina law.
- 18) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by

authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

(SIGNATURE PAGES FOLLOW)

WE AGREE:

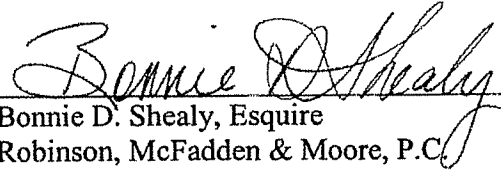
Representing the Office of Regulatory Staff

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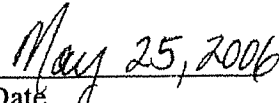
May 25, 2006
Date

WE AGREE:

Representing YMax Communications Corp.



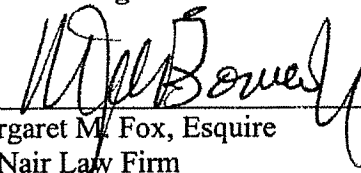
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Date

WE AGREE:

Representing SCTC



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M. John Bowser, Jr.
Date 

Exhibit 1

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 1
(Rogers)

Exhibit E –Proposed Local Exchange Tariff - Illustrative (CLEC)
South Carolina Tariff No. 2

Section 1 – Definitions

Original Page 3 - Suggest adding the acronym “ORS” for the South Carolina Office of Regulatory Staff.

Section 2 – Regulations

2.5 – Payment Arrangements

2.5.1 – Payment for Service – Original Page 20 – [Paragraph 2] – “The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state, federal, and 911 taxes, charges or surcharges (however designated excluding taxes on Company net income) imposed on or based upon the provision, sale or use of Network Services.” Suggest removal of the term “gross receipts”. This is not an acceptable pass through item on customer billing in South Carolina.

2.5.3 – Disputed Bills

2.5.3 (A) -- Original Page 23 – “In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Company may require the Customer to pay the undisputed portion of the bill to avoid discontinuance of service for non-payment. The Customer will submit a documented claim for the disputed amount. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 90 days of receipt of billing for those services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.” Suggest removing the 90 day portion of language in this subsection and modify the language to state: “All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing or orally within the applicable statute of limitations. No credits, refunds or adjustments shall be granted if demand therefore is not received within such limitation period.” Furthermore, in subsection 2.5.3 (B), the Company appears to use the statute of limitations as the timeframe for the filing of disputed matters from the Customer. (1st sentence of the aforementioned subsection).

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 2
(Rogers)

Exhibit E –Proposed Local Exchange Tariff - Illustrative (CLEC)
South Carolina Tariff No. 2

2.5.3 (B) – Original Page 23 – “The Customer should notify the Company of any disputed items on an invoice within an interval from the receipt of the invoice that is within the State’s statute of limitations. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the South Carolina Public Service Commission in accordance with the Commission’s rules of procedure. The address of the Commission is as follows:”

South Carolina Public Service Commission
Synergy Business Park
Saluda Building
101 Executive Center Dr.
Columbia, SC 29210

Suggest revising the language in the last sentence of this subsection to state: “If the Customer and the Company are unable to resolve a dispute to their mutual satisfaction, the Customer may file a complaint with the Consumer Services Division of ORS for investigation. The contact information for such is listed in the following:”

Office of Regulatory Staff
State of South Carolina
Consumer Services Division
P.O. Box 11263
Columbia, SC 29211
Telephone Number -803-737-5230
Toll Free Number – 1-800-922-1531
Fax Number – 803-737-4750

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 3
(Rogers)

Exhibit E –Proposed Local Exchange Tariff - Illustrative (CLEC)
South Carolina Tariff No. 2

2.5.5 –Deposits

2.5.5 (B) – Original Page 25 – “The amount of the deposit may be required of a Customer for the purpose of establishing credit shall not exceed two times the average monthly bill for residential Customers whose bills are payable in advance. The amount of deposit may be adjusted at the request of the Customer at any time when the character, purpose, or degree of the Customer’s use of the service has materially changed, or when it is indicated that it will change.” Suggest that the Company adopt the language from the Commission’s Rules and Regulations pertaining to the amount of a customer deposit – R103-621.2 (A) – “For a new customer, a maximum deposit may be required up to an amount equal to an estimated (2) MONTHS (60 DAYS) total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two (2) consecutive months within the preceding six months”.

2.5.5 (D) – Original Page 25 – “Deposits will accrue interest annually in accordance with South Carolina Public Service Commission Rules. The interest accrued is 8% annually. Upon request of the Customer, accrued interest shall be annually credited to the Customer by deducting such interest from the amount of the next bill for service following the accrual date. Credits will be applied as allowed under S.C. reg. 103.623.” Suggest that the Company revise the accrual rate for deposit interest to 3.5% per Commission Order No. 2003-593.

Section 8 – Special Arrangements

8.1 – Individual Case Basis (ICB) Arrangements – Original Page 1 – “Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally offered under this tariff. Rates quoted in response to such competitive requests may be different than those specified for such services in this tariff. ICB rates will be offered to the Customer in writing on a nondiscriminatory basis. ICB will be filed with the Public Service Commission.” Suggest that the Company revise the last sentence of this subsection to state: “ICB’s will be kept on file and made available upon request of the Commission and/or the ORS, “

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 4
(Rogers)

Exhibit E –Proposed Local Exchange Tariff - Illustrative (CLEC)
South Carolina Tariff No. 2

8.3 – Individual Case Basis (ICB) Arrangements – Original Page 2 – “Rates for ICB arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer for service which vary from tariffed arrangements. Rates quoted in response to such requests may be different for tariffed service than those specified for such service in the Rate Attachment. ICB rates will be made available to similarly situated Customers. A summary of each ICB contract pricing arrangement offered pursuant to this paragraph will be filed as an addendum to this Tariff within 30 days after the contract is signed by both the Company and the Customer. The following information will be included in the summary:

- a. LATA and type of switch
- b. The V&H distance from the central office to the Customer’s premises
- c. Service description
- d. Rates and charges
- e. Quantity of circuits
- f. Length of the agreement.”

Suggest that the Company eliminate the shaded areas indicated above. ICB Contract Pricing should not be included in the Company’s tariff. Subsection 8.1 and subsection 8.3 appear to possibly be duplicative. The Company may consider combining these two subsections.

Section 9 – Promotional Offerings

9.2 – Special Promotions – Original Page 1 – “From time to time, the Carrier may provide promotional offerings to introduce a current or potential Subscriber to a service not being used by the subscriber. These offerings may be limited to certain dates, times or locations and may waive or reduce recurring or non-recurring charges. The Company will notify the Commission prior to the effective date of any promotional offering.”

Suggest revising the last sentence of this subsection with similar language as follows: “The Company will file all promotions in transmittal letter format with the Commission and the ORS. Promotions will not be published in the Company’s tariff.”

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 1
(Rogers)

Exhibit F – Proposed Interexchange Services Tariff - Illustrative (IXC)
South Carolina Tariff No. 1

Section 1 – Terms and Abbreviations

Original Page 6 - Suggest adding the acronym “ORS” for the South Carolina Office of Regulatory Staff.

Section 2 – Rules and Regulations

2.6 – Customer Responsibility

2.6.2 (B) – Disputed Charges - Original Page 13 – “Any objections to billed charges must be reported to the Company or its billing agent within the time frames established in R.103-623 or the Commission’s rules and regulations, as amended. Adjustments to Customers’ account shall be made to the extents that circumstances exist which reasonably indicate that such changes are appropriate. If notice of the disputed charges is not received by the Company within the applicable statute of limitations, such calls shall be deemed correct and binding. Suggest including the following language to this subsection: “If the Customer and the Company are unable to resolve a dispute to their mutual satisfaction, the Customer may file a complaint with the Consumer Services Division of ORS for investigation. The contact information for such is listed in the following:”

Office of Regulatory Staff
State of South Carolina
Consumer Services Division
P.O. Box 11263
Columbia, SC 29211
Telephone Number -803-737-5230
Toll Free Number – 1-800-922-1531
Fax Number – 803-737-4750

2.6.3 – Taxes and Fees

2.6.3 (A) – Original Page 14 – “All state and local taxes (e.g., ~~gross receipts tax~~, sales tax, municipal utilities tax) are not included under this tariff, but shall be listed as separate line items on the Customer’s bill..” Suggest removal of the term” gross

receipts". This is not an acceptable pass through item on customer billing in South Carolina.

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 2 (Rogers)

Exhibit F – Proposed Interexchange Services Tariff - Illustrative (IXC)
South Carolina Tariff No. 1

Section 4 – Promotions

4.2 – Promotions – General – Original Page 29 – “From time to time, the Carrier may provide promotional offerings to introduce a current or potential Subscriber to a service not being used by the subscriber. These offerings may be limited to certain dates, times and locations and may waive or reduce recurring or non-recurring charges. The Company will submit any such promotions to the SC PSC for review prior to offering.”
Suggest revising the last sentence of this subsection with similar language as follows:
“The Company will file all promotions in transmittal letter format with the Commission and the ORS. Promotions will not be published in the Company’s tariff.”

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 1
(Rogers)

Exhibit G – Proposed Access Services Tariff - Illustrative
South Carolina Tariff No. 3

Section 1 – Definitions and Abbreviations

Original Page 9 - Suggest adding the acronym “ORS” for the South Carolina Office of Regulatory Staff.

Section 2 – Rules and Regulations

2.10 – Billing and Payment for Service

2.10.4 – Disputed Charges

2.10.4 (A) – Original Page 27 – “Any objections to billed charges must be reported to the Company or its billing agent within sixty (60) days of the invoice of the bill issued to the Customer. Adjustments to Customers’ bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.” Suggest removing the sixty (60) day limitation for the filing of objections to billing from the Customer and revise the language to state the following: “All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing or orally within the applicable statute of limitations. No credits, refunds or adjustments shall be granted if demand therefore is not received within such limitation period.”

2.10.4 (B) – Original Page 27 – “In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Customer must submit a documented claim for the disputed amount. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within sixty (60) days of the invoice date of the bill for the disputed services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.” The ORS shares the same concerns in this subsection as outlined in the preceding subsection - 2.10.4 (A).

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 2
(Rogers)

Exhibit G – Proposed Access Services Tariff - Illustrative
South Carolina Tariff No. 3

The ORS would recommend the inclusion of the proper avenue for the filing of unresolved disputes. This would be through the Consumer Services Division of the ORS. It may appropriate to incorporate this information within subsection 2.10.4. The same procedures apply to Access related disputes as with Consumer issues. The following should be included;

Office of Regulatory Staff
State of South Carolina
Consumer Services Division
P.O. Box 11263
Columbia, SC 29211
Telephone Number -803-737-5230
Toll Free Number – 1-800-922-1531
Fax Number – 803-737-4750

2.10.5 –Late Payment Fees – Original Page 28 – “A late payment charge of 1.5% per month, or the highest rate permitted by applicable law, whichever is less, shall be due to the Company for any billed amount for which payment has not been received by the Company within thirty (30) days of the invoice date of the Company’s invoice for service, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment. If the last calendar day for remittance falls on a Sunday, legal holiday or other day when the offices of the Company are closed, the date for acceptance of payments prior to assessment of any late payment fees shall be extended thorough to the next business day.” Suggest that the Company revise the language in this subsection by incorporating language in the Commission’s Rules and Regulations. The following is verbatim with the Late Payment fee language found in such (R103-622.2): “A maximum of one and a half percent (1-1/2%) will be added to any unpaid balance brought forward from the previous billing date to cover the cost of collection and carrying accounts in arrears. This method of late payment charge will be made in lieu of any other penalty. Billing for 900 and 900-type charges or non-regulated items are excluded from the balance on which a late free may be imposed.”

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 3
(Rogers)

Exhibit G – Proposed Access Services Tariff - Illustrative
South Carolina Tariff No. 3

2.10.6 – Returned Check Charge – Original Page 28 – *“A service charge equal to \$25.00, or the actual fee incurred by Company from a bank or financial institution, whichever is greater, will be assessed for all checks returned by a bank or other financial institution for: insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution”.*

Suggest deleting the above paragraph and include the returned check charge language which will be consistent with other carrier’s tariffs in South Carolina. The following is recommended: “The Company may assess a return check charge for each check returned for insufficient funds not to exceed that allowed by applicable state law as contained in S.C. Code Ann. 34-11-70.”

2.11 – Taxes, Surcharges and Fees

2.11.1 – Original Page 29 – *“All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items on the Customer’s bill and are not included in the quoted rates and charges as set forth in this tariff. To the extent that a municipality, other political subdivision or local agency of government, or Board imposes upon and collects from the Company a gross receipts tax, sales tax, occupation tax, license tax, permit fee, rights-of-way fee, franchise fee, other regulatory fee or tax, such and fees and taxes shall, insofar as practicable and allowed by law, be billed pro rata to Customers receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government. It shall be the responsibility of the Customer to pay any such taxes and fees that subsequently become applicable retroactively.”* **Suggest removal of the term “gross receipts”. This is not an acceptable pass through item on customer billing in South Carolina. Additionally, the term “Board” is used in this subsection; Company should clarify if the appropriate term may be “Commission”.**

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 4
(Rogers)

Exhibit G – Proposed Access Services Tariff - Illustrative
South Carolina Tariff No. 3

2.12 – Deposits and Advance Payments

2.12.1 – General – Original Page 30 – “The Company reserves the right to validate the creditworthiness of Customers and billed parties through available procedures. Where a Customer’s creditworthiness is unacceptable to the Company, Company may refuse to provide service, require a deposit or advanced payment, or otherwise restrict or interrupt service to a Customer.” Suggest that the Company make revisions to this subsection. Initially, the Company does have a right to validate the creditworthiness of a Customer wishing to purchase Access. Secondly, if the Company discovers criteria which is unfavorable regarding such, the Rules and Regulations allow security through collection of a deposit but does not allow refusal of service if facilities are available to provide Access to such Customer. Finally, if the Customer is up to date on their account (once Access Service has been established), the Company may not interrupt service based upon creditworthiness; again, deposit provisions may be revisited if proper criteria exists which comports with the Rules and Regulations of the Commission.

2.12.2 – Deposits

2.12.2 (A) – Original Page 30 - “To safeguard its interests, the Company may require the Customer to make a deposit to held as a guarantee for the payment of charges under Board rules. A deposit may be required if the Customer’s financial condition is not acceptable to the Company or it not a matter of general knowledge. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. A deposit may be required in addition to an advance payment.” Suggest that the Company clarify the meaning of the term “Board” used in the first sentence. Additionally, suggest that the second sentence highlighted be deleted and replaced with language somewhat similar to: “The Company may require a deposit from a Customer consistent with the Commission’s Deposit criteria found in R. 103-621.”

2.12.2 (B) – Original Page 30 – “The maximum amount of any deposit shall not exceed the equivalent of the customers estimated liability for two months service.” Suggest that the Company include the language found in R.103-621.2 of the Commission’s Rules and Regulations pertaining to “Amount of Deposit.”

YMax Communications Corporation Docket No. 2006-85-C Tariff Review Page 5
(Rogers)

Exhibit G – Proposed Access Services Tariff - Illustrative
South Carolina Tariff No. 3

2.12.2 (C) – Original Page 30 – “The Company will pay interest on deposits, to accrue from the date the deposit is made until it has been refunded, or until a reasonable effort has been made to effect refund. The Company will pay interest at the rate prescribed by the Board or as otherwise permitted by applicable law.” Suggest that the Company clarify the use of the term “Board” and make appropriate revisions if not applicable to South Carolina.

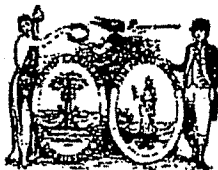
STATE OF SOUTH CAROLINA
State Budget and Control Board
 OFFICE OF RESEARCH & STATISTICS

Order Exhibit 1
Docket No. 2006-85-C
Order No. 2006-414
July 17, 2006

MARK SANFORD, CHAIRMAN
 GOVERNOR

GRADY L. PATTERSON, JR.
 STATE TREASURER

RICHARD ECKSTROM
 COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
 CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARBRELL, JR.
 CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO
 EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING
 1000 ASSEMBLY STREET, SUITE 425
 COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
 DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911-ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

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 COLUMBIA, S.C. 29210
 LEWIS LAMINE
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HEALTH & DEMOGRAPHICS
 STATISTICS
 1919 BLANDING STREET
 COLUMBIA, S.C. 29201
 WALTER F. BAILEY, M.P.H.
 (803) 898-9941

Exhibit 2

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2006-85-C

Re: Application of YMax Communications Corp.)
for a Certificate of Public Convenience and)
Necessity to Provide Facilities Based Local)
Exchange Service, Resold Long Distance)
Service, and Access Service in the State of)
South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and YMax Communications Corp. ("YMax") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose YMax's Application. SCTC and YMax stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to YMax, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. YMax stipulates and agrees that any Certificate which may be granted will authorize YMax to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. YMax stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. YMax stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and

until YMax provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, YMax acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. YMax stipulates and agrees that, if YMax gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then YMax will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. YMax acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and YMax, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. YMax agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone

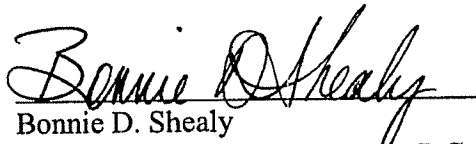
service at affordable rates.

9. YMax hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

10. Notwithstanding any provision contained herein, the terms, conditions and limitations of the Stipulation apply only in those instances where a rural telephone company's federal rural exemption under 47 U.S.C. § 251(f)(1) is implicated.

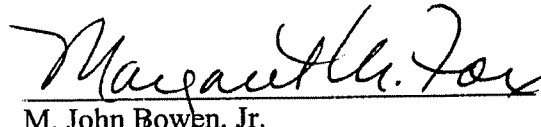
AGREED AND STIPULATED to this 12th day of April,
2006.

YMax Communications Corp.


Bonnie D. Shealy
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Corp.

South Carolina Telephone Coalition


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Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

**South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation**

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company